COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Proceeding by the Department on its own Motion to Implement the Requirements of the Federal Communications Commission's Triennial Review Order Regarding Switching for Mass Market Customers	)	**D.T.E. 03-60**

SUPPLEMENTAL INITIAL PANEL TESTIMONY OF VERIZON MASSACHUSETTS

(WPTS Process)

Members of the Panel:

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I. INTRODUCTION

A. Purpose and Background

Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

A. This testimony is provided in response to the Department's November 24, 2003 Memorandum Order directing Verizon MA to file testimony concerning its proposed Wholesale Provisioning Tracking System ("WPTS") process for a basic hot cut and to propose rates for that process with supporting cost studies. As ordered, this testimony explains Verizon MA's basic hot cut process utilizing WPTS and describes how Verizon MA developed TELRIC costs for that process. The testimony Verizon MA files today supplements Verizon MA's November 14 Initial Panel Testimony regarding "Large Job" and batch hot cut processes and the scalability of Verizon MA's hot cut process.

Q. PLEASE EXPLAIN THE PROCEDURAL BACKGOUND IN THIS CASE.

A. In its July 11, 2002 *UNE Order*, the Department directed Verizon MA to "develop a less costly alternative for CLECs that Verizon MA would offer as an alternative to the hot cut process modeled in Verizon's NRCM." In response, on February 27, 2003, Verizon MA filed a "Supplemental Compliance Filing" that described Verizon MA's proposed alternative hot cut process, estimated costs for the new process, and set forth Verizon MA's tariff for the new service. (On June 12, 2003, Verizon MA revised the compliance filing per the DTE's May 29, 2003 Order.) The process described was based on Verizon MA's use of WPTS to perform many of the functions that are otherwise performed manually. As demonstrated in that filing, WPTS is a web-based e-commerce system

developed by Verizon that is capable of providing status information and enabling near real-time interactive communication between certified CLEC users and Verizon MA's RCCC and CO Frame personnel. It improves processes and efficiencies for both the CLEC and Verizon by reducing manual processes and phone calls. The compliance cost study Verizon MA filed at that time was based on the estimates of Subject Matter Experts ("SMEs") regarding the ways in which WPTS would reduce times associated with the non-recurring activities reflected in the costs adopted by the Department in DTE 01-20.

Q. DID THE DEPARTMENT ACCEPT VERIZON'S BASIC WPTS OPTION AND RATES AT THAT TIME?

A. No. The Department did not permit Verizon MA to implement its proposed tariff for the WPTS ("Option II") hot cut at the time of Verizon MA's compliance filing. *July 14, 2003 Letter Ruling Regarding D,T.E. 01-20: Verizon Massachusetts' Revised Compliance Filing*, at 7. Rather, the Department deferred consideration of Verizon MA's WPTS process and costs to this proceeding. In the meantime, the Department permitted Verizon MA to offer the WPTS process through negotiated amendments to interconnection agreements. *Id.*

B. The Witnesses

Q. WHO IS SPONSORING THIS TESTIMONY?

A. This testimony is offered by the same panel of witnesses that sponsored Verizon MA's November 14, 2003 Initial Panel Testimony. All members of the Panel assume primary responsibility for the same subjects they addressed in the Initial Panel Testimony.

II. THE BASIC WPTS HOT CUT PROCESS

Q. WHAT IS VERIZON MA'S "BASIC" HOT CUT PROCESS?

A. The basic hot cut process is also sometimes described as the "individual" hot cut process, which is something of a misnomer, as the process is not limited to orders for one loop or even a small numbers of loops. Rather, the basic process is Verizon MA's default, generally applicable hot cut process.

In addition, as described in Verizon MA's November 14 filing, Verizon MA currently has a separate "Large Job" process, which is available where the CLEC is willing and able to group orders by central office or collocation arrangement, and chooses to submit the orders in that manner. In the normal course of business, even in periods of high volume, Verizon generally uses the basic process to perform hot cuts.

Q. PLEASE DESCRIBE VERIZON'S BASIC WPTS PROCESS.

A. The process, including the role played by WPTS, is detailed in Exhibit Supp-I.

Q. PLEASE DESCRIBE THE INITIAL PROCESSING OF ORDERS IN THE BASIC PROCESS.

A. The process itself is relatively straightforward. The CLEC submits an LSR to Verizon for a cutover via Verizon's LSI or EDI. A properly completed LSR generates four related Verizon service orders:

- A disconnect ("D") order, for example to discontinue the existing retail service where the customer was originally a Verizon retail customer.
- A change ("C") order to establish the UNE-L for the CLEC.
- A trigger order which sends a message to the Number Portability Administration Center ("NPAC") 48 hours before the due date

indicating that the end user's telephone number will be ported to the CLEC.

- A record order detailing listing information, including E911 data.

The LSR either flows electronically through Verizon's ordering systems, is routed to the NMC for manual processing (assuming that there are issues that can be addressed by the NMC representative), or is returned back to the CLEC for additional work.

Q. WHAT ROLE DOES WPTS PLAY IN THE WPTS OPTION FOR BASIC HOT CUTS?

A. As explained in the Initial Panel Testimony, WPTS automatically retrieves information on hot cut orders from Verizon's OSS and serves as a "clearinghouse" for a wide range of data on the progress of those orders. *See* Initial Panel Testimony at 21-22. At appropriate points, it automatically forwards work for review and verification to the CLEC and to Verizon's Regional CLEC Coordination Center ("RCCC"). It provides a secure web site on which a CLEC (and authorized Verizon personnel) can view (and download) status information. It also provides a platform for the delivery of messages between Verizon and the CLEC, thus eliminating the need for telephone calls in most cases. The system thus helps to ensure efficiently and at minimal cost that all key steps of the hot cut process are properly completed and that all necessary communications between the CLEC and Verizon work teams occur. WPTS also allows Verizon frame technicians to communicate electronically with the RCCC (and directly with the CLEC) about CLEC dial tone issues, the CLEC's willingness to proceed with the cut (the "go-ahead"), and the completion of wiring work.

Q. PLEASE DESCRIBE THE ROLE PLAYED BY THE RCCC AND THE RECENT CHANGE MEMORY ADMINISTRATION CENTER ("RCMAC") IN THE PROCESSING OF A HOT CUT ORDER.

A. The RCCC takes the "C" and "D" orders referred to above, and makes sure they are processed to completion. The "C" order generates the physical hot cut wiring activity. In the WPTS option, WPTS performs much of the review functions previously handled by a RCCC associate. The "D" order flows automatically to the RCMAC for processing after the hot cut is complete.

Q. PLEASE DESCRIBE THE ROLE PLAYED BY THE ASSIGNMENT PROVISIONING CENTER ("APC").

A. The APC handles orders that fall out of the automatic assignment process because of facilities problems. In the case of loops using IDLC technology, for example, the APC must find and assign alternative copper or UDLC facilities.

Q. PLEASE DESCRIBE THE PRE-WIRING PROCESS.

A. Prior to the due date for the hot cut, the frame technician runs a jumper or cross-connect wire from the appearance of the CLEC's collocation facility assignment on Verizon's frame, to the appearance of the end user's loop on the Main Distributing Frame ("MDF"). At this time, the technician determines that the CLEC dial tone is working and that there are no apparent problems with the loop. If there are any problems, the frame technician advises the RCCC and, if necessary, the CLEC.

Q. PLEASE DESCRIBE THE ACTIVITIES THAT OCCUR ON THE DUE DATE.

A. The CLEC advises Verizon that it is willing and able to process the cut. Upon receipt of this "go-ahead" confirmation, the frame technician checks once again for the presence of CLEC dial tone. If the end user is using the line, the

technician waits for the line to go idle. Once the line is properly checked, the technician lifts off the jumper going to the Verizon switch and cuts down the wire connected to the CLEC switch, thus completing the process of connecting the loop through to the CLEC switch. Under the WPTS option, once this cutover is complete, WPTS notifies the CLEC that the hot cut has been successfully completed and allows the CLEC to acknowledge the hot cut.

Q. HOW DOES THIS PROCESS DIFFER WHEN THE HOT CUT ORDER RELATES TO AN IDLC-EQUIPPED LOOP?

A. On IDLC cuts, the frame technician wires the CLEC dial tone to the alternative facility identified by the APC. The final cutover then takes place in the field at the SAI.

Q. HOW IS THE PROCESS MODIFIED IF THE CLEC NOTIFIES VERIZON THAT IT IS NOT READY TO PROVIDE DIAL TONE OR IF VERIZON OTHERWISE DETERMINES THAT DIAL TONE IS NOT AVAILABLE AT THE TIME OF THE CUTOVER?

A. In the event that the CLEC is not in a position to provide dial tone, Verizon asks the CLEC to submit a supplemental LSR to either cancel the request or push it into a future date. At the same time Verizon pushes its disconnect order into the future so as to ensure that the customer does not get disconnected from the Verizon switch prematurely.

Q. IS VERIZON'S BASIC WPTS HOT CUT PROCESS ISO CERTIFIED?

A. Yes. As explained in Verizon MA's Initial Panel Testimony, Verizon's basic hot cut process (along with the Large Job process) is certified by the International Organization for Standardization ("ISO").

Q. HOW DOES THE BASIC WPTS OPTION DIFFER FROM THE NON-WPTS BASIC HOT CUT PROCESS REVIEWED BY THE DEPARTMENT IN D.T.E. 01-20?

A. As a general matter, WPTS takes the place of telephone calls and manual coordination in the basic process. Thus, whereas the RCCC technician calls the CLEC to review individual orders in the non-WPTS option, WPTS allows the CLEC to verify the accuracy of its orders online. In the non-WPTS option, the RCCC technician calls the CLEC to verify facilities and appointments, identify facilities, inform the CLEC of dial tone errors, get "go ahead" or "no go" at the FDT (Frame Due Time), and to inform that the cut has failed or been successful. In the WPTS option, on the other hand, the CLEC views this information, and, if necessary, provides information to Verizon MA, online. WPTS also gives CLECs the ability to sort its orders by CLLI (Common Language Location Identifier), DD/FDT (Due Date/Frame Due Time), PONs (Purchase Order Numbers), and other categories, rather than doing that work manually. A side-by-side comparison of the non-WPTS and the WPTS processes is provided as Exhibit Supp-II.

III. BASIC WPTS HOT CUT COSTS

Q. ARE THERE CURRENTLY RATES IN EFFECT FOR THE BASIC PROCESS UTILIZING WPTS IN MASSACHUSETTS?

A. No. Verizon MA submitted costs for the WPTS option in its compliance filing in D.T.E. 01-20, but the Department deferred consideration of those costs until this proceeding.

Q. WHAT RATE STRUCTURE IS VERIZON MA PROPOSING HERE FOR BASIC WTPS HOT CUTS?

A. Verizon MA proposes to utilize the same three-part rate structure that is set forth in its November 14 filing for Large Job and batch hot cuts: a Service Order

charge; a Service Connection — Central Office Wiring charge and a Service Connection — Other (Provisioning) charge. As with Large Job and batch hot cuts, there is a fourth rate element that was presented with the Initial Panel Testimony, the IDLC Surcharge applicable where Verizon MA must substitute facilities before a cut can be made. This charge applies to each IDLC-equipped loop that is being cutover to a UNE-L configuration. Finally, there is a fifth rate element — the Full Mechanized Coordination Expedite, which applies when a request for a due date earlier than called for by standard intervals is made for individual hot cuts.

Q. HOW DID VERIZON MA ASSESS THE NON-RECURRING COSTS FOR A BASIC WPTS HOT CUT?

A. Verizon MA employed the same NRC Model introduced in the November 14 filing to model the costs for Large Job and batch hot cuts. The details of the NRC Model are explained in the Initial Panel Testimony. As that testimony explains, the model employs a new, rigorous survey of personnel actually involved in the relevant work functions under study for the NMC and the RCCC. The model uses the times that were approved for two- and four-wire hot cuts in D.T.E. 01-20 for the APC and the RCMAC (after Verizon made the adjustments called for by the DTE's May 29 2003 Order, the reduction no longer applied for the RCMAC). The model, submitted as Exhibit III-A to the Initial Panel Testimony, has been updated to reflect costs for WPTS two- and four-wire basic hot cuts, and is included as Exhibit Supp-III to this testimony.

Q. IS THIS THE SAME MODEL THAT VERIZON MA USED TO MODEL COSTS FOR THE BASIC WPTS OPTION IN ITS COMPLIANCE FILING?

A. No. At the time of Verizon MA's February 27, 2003 compliance filing in D.T.E. 01-20, Verizon was just beginning to roll out the WPTS process, and did not yet have sufficient experience with it. As a result, Verizon SMEs developed the times for the WPTS option by: (1) estimating the effect of WPTS on the RCCC, Central Office Frame, and RCMAC, and (2) adjusting the times adopted by the Department for those organizations to reflect anticipated efficiencies. In the more than ten months since that filing, Verizon has rolled out the WPTS process on a much larger scale. Using the experience gained by provisioning hot cuts with WPTS, Verizon conducted an entirely new study of the NMC, Central Office Frame, and the RCCC. The resulting times reflect Verizon's actual experience with provisioning hot cuts using WPTS.

Q. WERE THE COSTS FOR THE WPTS HOT CUT SUBJECT TO A STATISTICAL REVIEW?

A. Yes. As with the "Large Job" and batch hot cuts, Verizon calculated the statistical precision of the non-recurring cost estimates developed in these studies. Exhibit Supp-IV sets forth the precision with which Verizon MA's non-recurring costs are estimated.

Q. ARE ANY OTHER CHANGES REFLECTED ON EXHIBIT SUPP-IV?

A. Yes. In calculating precision levels for the WPTS hot cuts, an arithmetic error was discovered in the calculation of the precision levels for the Large Job and Batch hot cuts filed November 14, 2003 in Exhibit III-D. In squaring the Common Overhead factor, the digit representing tenths was inadvertently deleted. This error changed the number to 1.016 from the correct 1.1016. Exhibit Supp-IV reflects the correction of this error. Because the error is so small, its correction

has an insignificant impact on the reported precision of the estimated costs. As a result, the conclusions expressed in our November 14, 2003 Initial Panel Testimony are still valid.

Q. WHAT ARE THE RESULTS OF VERIZON'S NEW COST STUDIES, AND WHAT RATES IS IT PROPOSING FOR INDIVIDUAL WPTS HOT CUTS BASED ON THOSE STUDIES?

A. The rates for basic, Large Job, and batch hot cuts are set forth in Exhibit Supp-V.

Q. DOES THIS CONCLUDE THE PANEL'S TESTIMONY?

A. Yes.